

Senate Study Bill 1100 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON BEALL)

A BILL FOR

1 An Act relating to property taxes of certain disabled veterans
2 by modifying the disabled veteran homestead tax credit,
3 providing an additional homestead credit for certain
4 disabled veterans, and including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.15, Code 2013, is amended to read as
2 follows:

3 **425.15 Disabled veteran tax credit.**

4 If the owner of a homestead allowed a credit under this
5 chapter is a veteran of any of the military forces of the
6 United States, who acquired the homestead under 38 U.S.C.
7 § 21.801, 21.802, prior to August 6, 1991, or 38 U.S.C. § 2101,
8 through 2102, or who is a veteran as defined in section 35.1
9 with a permanent and total service-connected disability as
10 certified by the United States department of veterans affairs,
11 the credit allowed on the homestead from the homestead credit
12 fund shall be the entire amount of the tax levied on the
13 homestead. The credit allowed shall be continued to the
14 estate of a veteran who is deceased or the surviving spouse
15 and any child, as defined in section 234.1, who are the
16 beneficiaries of a deceased veteran, so long as the surviving
17 spouse remains unmarried. ~~This section is not applicable to~~
18 ~~the holder of title to any homestead whose annual income,~~
19 ~~together with that of the titleholder's spouse, if any, for~~
20 ~~the last preceding twelve-month income tax accounting period~~
21 ~~exceeds thirty-five thousand dollars. For the purpose of~~
22 ~~this section "income" means taxable income for federal income~~
23 ~~tax purposes plus income from securities of state and other~~
24 ~~political subdivisions exempt from federal income tax. A~~
25 ~~veteran or a beneficiary of a veteran who elects to secure the~~
26 ~~credit provided in this section is not eligible for any other~~
27 ~~real property tax exemption provided by law for veterans of~~
28 ~~military service. If a veteran acquires a different homestead,~~
29 ~~the credit allowed under this section may be claimed on the~~
30 ~~new homestead unless the veteran fails to meet the other~~
31 ~~requirements of this section.~~

32 **Sec. 2. NEW SECTION. 425.15A Disabled veteran tax freeze.**

33 1. For purposes of this section, unless the context
34 otherwise requires:

35 a. "*Base year*" means the fiscal year immediately preceding

1 the first fiscal year in which the additional homestead
2 credit under this section is allowed on the disabled veteran's
3 homestead.

4 *b. "Disabled veteran"* means a veteran, as defined in section
5 35.1, who has a service-connected disability rating of at least
6 fifty percent as certified by the United States department of
7 veterans affairs.

8 2. A disabled veteran who is eligible for the credit allowed
9 under section 425.1 may claim an additional homestead credit
10 pursuant to this section. To claim the credit under this
11 section, the disabled veteran shall file on or before June 30
12 of the base year for which the veteran is first claiming the
13 credit. The amount of the credit equals the amount of property
14 taxes, less the regular homestead credit allowed under section
15 425.1, due and payable in the coming fiscal year that exceeds
16 the amount of property taxes, less the regular homestead credit
17 allowed under section 425.1, that were due and payable in the
18 base year. The credit under this section is payable from the
19 homestead credit fund created in section 425.1.

20 3. Upon the filing and allowance of the claim, the claim
21 shall be allowed on the disabled veteran's homestead for
22 successive years without further filing as long as the property
23 is legally and equitably owned and used as a homestead by
24 the disabled veteran on July 1 of each of those successive
25 years. The credit allowed shall be continued to the estate
26 of a veteran who is deceased or the surviving spouse and any
27 child, as defined in section 234.1, who are the beneficiaries
28 of a deceased veteran, so long as the surviving spouse remains
29 unmarried.

30 Sec. 3. IMPLEMENTATION. Section 25B.7 shall not apply to
31 the credits in this Act.

32 Sec. 4. APPLICABILITY. This Act applies to property taxes
33 due and payable in fiscal years beginning on or after July 1,
34 2014.

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EXPLANATION

1 This bill relates to property taxes of certain disabled
2 veterans.

3 The disabled veterans tax credit under Code section 425.15
4 provides a credit on the homestead of an eligible veteran
5 who acquired the homestead under specified federal programs
6 in an amount equal to the entire amount of the tax levied on
7 the homestead. This bill modifies the qualifications for the
8 disabled veterans tax credit by adding to the list of veterans
9 who are eligible for the credit, a veteran as defined in Code
10 section 35.1 with a permanent and total service-connected
11 disability as certified by the United States department of
12 veterans affairs. The bill also strikes the income limitation
13 qualifications for the disabled veteran tax credit.

14 The bill enacts new Code section 425.15A, which provides
15 that the property tax on a disabled veteran's homestead shall
16 not increase from year to year. To receive this credit, the
17 veteran must file on or before June 30 in a manner similar
18 to filing for the regular homestead credit. Once the claim
19 is filed and allowed, the veteran does not have to file for
20 successive years so long as the property is still owned and
21 used by the veteran as a homestead.

22 The bill defines "disabled veteran" for the purposes of new
23 Code section 425.15A to be a veteran as defined in Code section
24 35.1, who has a service-connected disability rating of at least
25 50 percent as certified by the United States department of
26 veterans affairs.

27 Code section 25B.7 provides that for a property tax credit
28 or exemption enacted on or after January 1, 1997, if a state
29 appropriation made to fund the credit or exemption is not
30 sufficient to fully fund the credit or exemption, the political
31 subdivision shall be required to extend to the taxpayer only
32 that portion of the credit or exemption estimated by the
33 department of revenue to be funded by the state appropriation.

34 The bill provides that Code section 25B.7 does not apply to
35 the credits in the bill.

S.F. _____

1 The bill applies to property taxes due and payable in fiscal
2 years beginning on or after July 1, 2014.